

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF PUERTO RICO**

In re:

THE FINANCIAL OVERSIGHT AND MANAGEMENT
BOARD FOR PUERTO RICO,

as representative of

THE COMMONWEALTH OF PUERTO RICO, *et al.*,

Debtors.¹

PROMESA Title III

No. 17-BK-3283-LTS

(Jointly Administered)

In re:

THE FINANCIAL OVERSIGHT AND MANAGEMENT
BOARD FOR PUERTO RICO,

as representative of

THE PUERTO RICO ELECTRIC POWER AUTHORITY,

Debtor.

PROMESA Title III

No. 17-BK-4780-LTS

¹ The Debtors in these Title III Cases, along with each Debtor's respective Title III case number and the last four (4) digits of each Debtor's federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico (Bankruptcy Case No. 17-BK-3283-LTS) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation ("COFINA") (Bankruptcy Case No. 17-BK-3284-LTS) (Last Four Digits of Federal Tax ID: 8474); (iii) Puerto Rico Highways and Transportation Authority ("HTA") (Bankruptcy Case No. 17-BK-3567-LTS) (Last Four Digits of Federal Tax ID: 3808); (iv) Employees Retirement System of the Government of the Commonwealth of Puerto Rico ("ERS") (Bankruptcy Case No. 17-BK-3566-LTS) (Last Four Digits of Federal Tax ID: 9686); (v) Puerto Rico Electric Power Authority ("PREPA") (Bankruptcy Case No. 17-BK-4780-LTS) (Last Four Digits of Federal Tax ID: 3747); and (vi) Puerto Rico Public Buildings Authority ("PBA") (Bankruptcy Case No. 19-BK-5523-LTS) (Last Four Digits of Federal Tax ID: 3801) (Title III case numbers are listed as Bankruptcy Case numbers due to software limitations).

JOINDER OF ASSURED GUARANTY CORP., ASSURED GUARANTY MUNICIPAL CORP., THE AD HOC GROUP OF PREPA BONDHOLDERS, NATIONAL PUBLIC FINANCE GUARANTEE CORPORATION, SYNCORA GUARANTEE INC., AND THE PREPA BOND TRUSTEE TO URGENT MOTION OF FUEL LINE LENDERS FOR EXAMINATION OF OVERSIGHT BOARD UNDER FEDERAL RULE OF BANKRUPTCY PROCEDURE 2004 CONCERNING VITOL SETTLEMENT AGREEMENT (ECF NO. 22810)

U.S. Bank National Association as Trustee under the Trust Agreement for the PREPA Bonds (the “Trustee”), Assured Guaranty Corp. and Assured Guaranty Municipal Corp. (together, “Assured”), the Ad Hoc Group of PREPA Bondholders (the “Ad Hoc Group”), National Public Finance Guarantee Corporation (“National”), and Syncora Guarantee Inc. (“Syncora,” and together with the Ad Hoc Group, Assured, and National, the “PREPA Bondholders”) hereby respectfully submit this joinder (the “Joinder”)² to the *Urgent Motion of Fuel Line Lenders for Examination of Oversight Board Under Federal Rule of Bankruptcy Procedure 2004 Concerning Vitol Settlement Agreement* (ECF No. 22810, the “Rule 2004 Motion”).³ The Trustee and PREPA Bondholders respectfully state as follows:

1. The Trustee, on behalf of the PREPA Bondholders and other bondholders, has filed a proof of claim arising from over \$8 billion dollars in unpaid principal, plus accrued interest and other amounts, arising from bondholders’ ownership of securities issued by PREPA and where applicable insured by Assured, National or Syncora.

2. As set forth in the Rule 2004 Motion, at the November 1, 2022 Omnibus Hearing, counsel for the Financial Oversight and Management Board for Puerto Rico (the “Oversight Board”) advised the Court and all other interested parties that its forthcoming plan of adjustment for PREPA’s debts (the “Plan”) will be accepted by what the Plan evidently will characterize as

² Capitalized terms used in this Joinder, but not defined herein, shall have the meanings ascribed to them in the Rule 2004 Motion.

³ Unless otherwise indicated, references to ECF numbers in this Joinder refer to the docket in Case No. 17-3283-LTS.

an impaired “class” consisting only of Vitol, a single unsecured creditor that has reportedly agreed to accept a recovery on its claim equal to half of the recovery percentage provided to members of a class of general unsecured claims.

3. The Court has set a firm deadline of December 1, 2022 for the Oversight Board to file a confirmable Plan. The Court made clear at the Omnibus Hearing that it expects the Plan submitted on December 1 to be much more than a mere placeholder, but rather to reflect the Oversight Board’s realistic effort—including as a result of its negotiation and compromise with affected parties—to satisfy PROMESA’s confirmation requirements.

4. The Trustee and PREPA Bondholders share the Fuel Line Lenders’ concerns with the Oversight Board’s proposed path toward a confirmable Plan, and so also share the same need for discovery to evaluate “information about the actual terms of the agreement between the Board and Vitol, including the circumstances under which Vitol’s commitment to vote in favor of the plan arose.” Rule 2004 Motion ¶ 3. The targeted information sought in the Rule 2004 Motion (as set forth in ECF No. 22810-2) is critical to evaluating any proposed plan of adjustment for PREPA and to “help parties-in-interest evaluate the Vitol settlement” and the process leading up to that settlement. Rule 2004 Motion ¶ 21.

5. The PREPA Bondholders and the Trustee respectfully request that, as reflected in the proposed order (the “Revised Proposed Order”) attached to this Joinder as “Exhibit A”,⁴ the Court enter an order granting the Rule 2004 Motion that expressly provides that (i) the Trustee, Assured, the Ad Hoc Group, National, and Syncora shall have the right to join in all document requests, third-party subpoenas, or other discovery served pursuant to that Motion, and to receive all documents, information, and responses produced in connection with such requests, subpoenas

⁴ A redline comparison of the Revised Proposed Order to the proposed order submitted with the Rule 2004 Motion is attached to this Joinder as “Exhibit B”.

or other discovery, (ii) counsel to the Trustee, Assured, the Ad Hoc Group, National, and Syncora shall be permitted to attend and participate in any depositions that result from the Rule 2004 Motion, and (iii) the Trustee, Assured, the Ad Hoc Group, National, and Syncora shall have the right to participate in any meet-and-confer process and/or hearing related to the Rule 2004 Motion or any discovery thereunder.

6. Nothing herein shall prejudice the Trustee and the PREPA Bondholders' right to independently seek Rule 2004 discovery, or other discovery, from the Oversight Board, AAFAF, the Commonwealth, or any other entity as appropriate.

Dated: New York, New York
November 10, 2022

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CERTIFICATE OF SERVICE

I hereby certify that I filed this document electronically with the Clerk of the Court for the United States District Court for the District of Puerto Rico by using the CM/ECF system, which will send notification of such filing to all parties of record in the captioned case.

At New York, New York, the 10th day of November, 2022.

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